

# **WEST CONTRA COSTA** **UNIFIED**

## School District – 2019-2020 Budget Adoption Presentation

**2019-20**

**Budget Public Hearing June 12, 2019**

**Board Adoption June 26, 2019**



## Outcomes for this Presentation

- Understand the budget adoption process including recent work with the County CBO
- Understand current district revenue
- Understand current expenditures
- Understand necessary budget reductions for the FY19-20 and FY20-21 school years



## County Support

This year, due to fluctuations in our budget, Superintendent Duffy asked the County CBO to support the budget development process for FY19-20 and beyond.



## Revenue Drivers

### 1. Enrollment

- Currently budgeting flat enrollment for next year while working on 45-day revise to make any enrollment adjustments

### 2. ADA

- Stable ADA (our attendance this year is similar to last year for the purpose of funding)

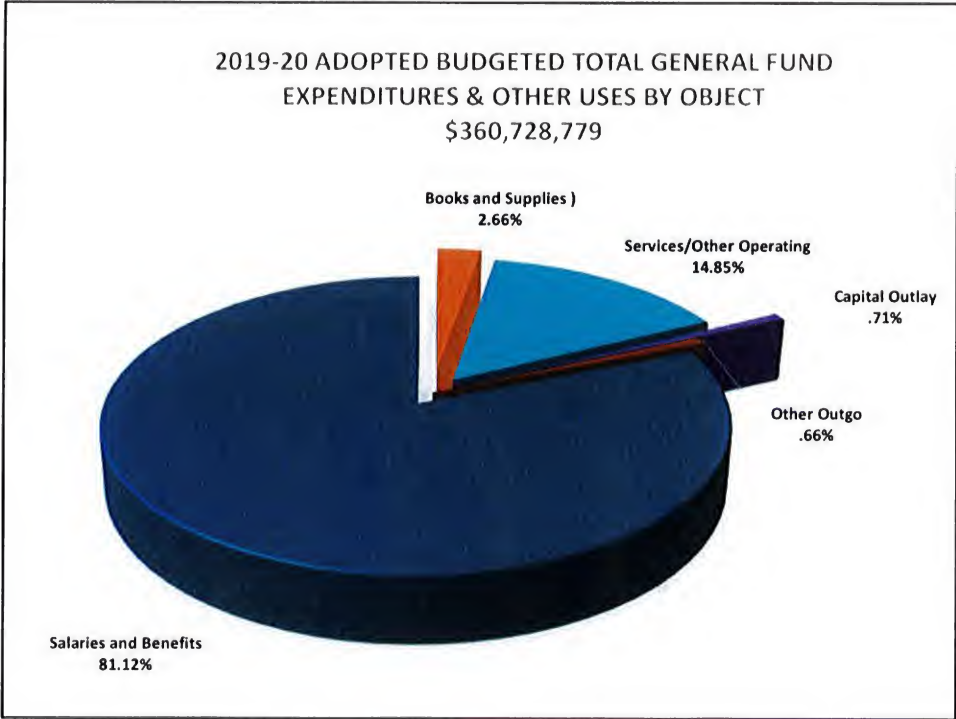
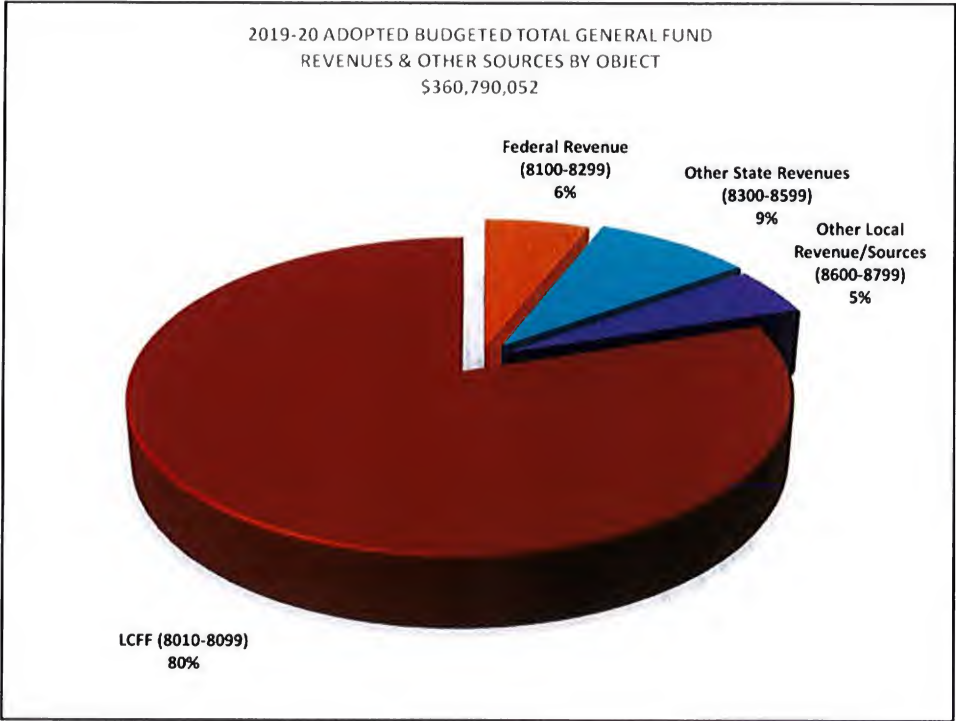
### 3. LCFF

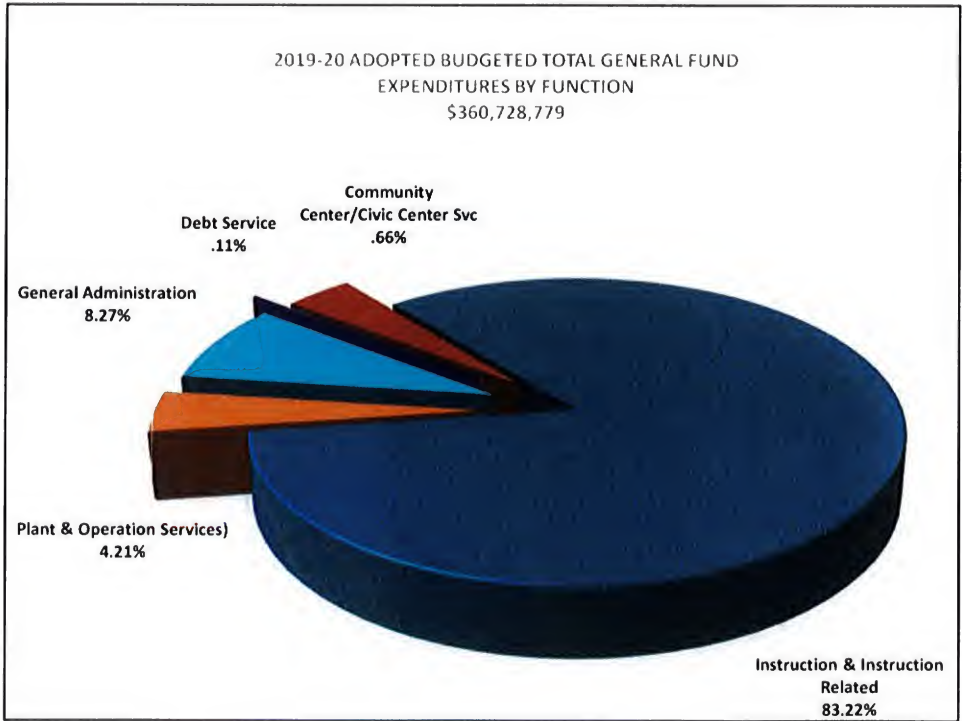
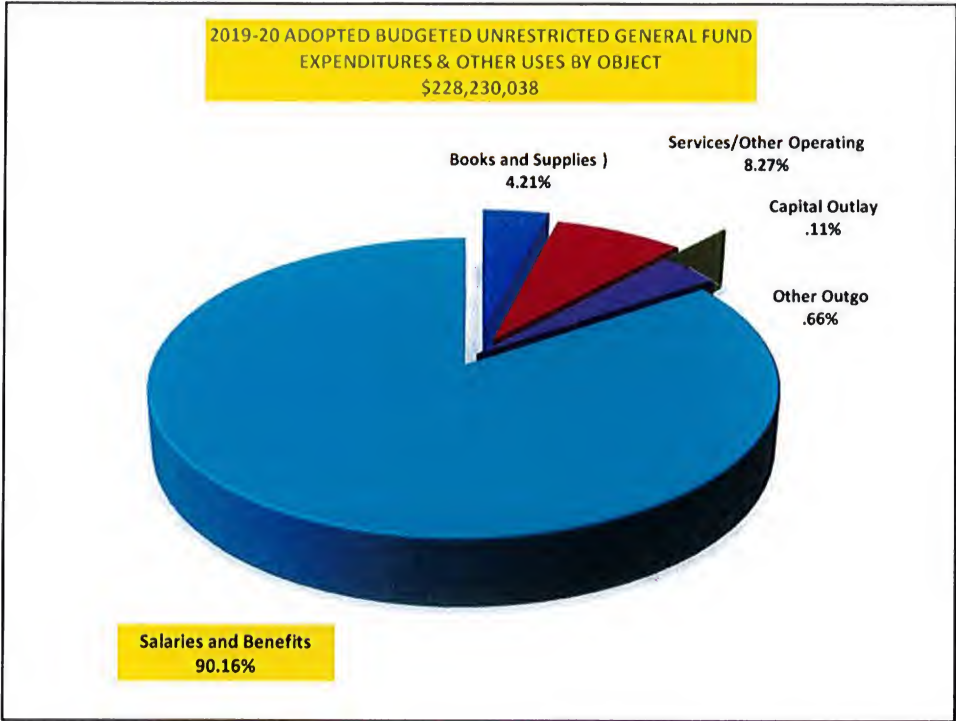
- LCFF fully implemented with a 3% COLA and Unduplicated pupil count still over 55%

### 4. Restricted Revenues

- Reduction due to loss of one-time funding







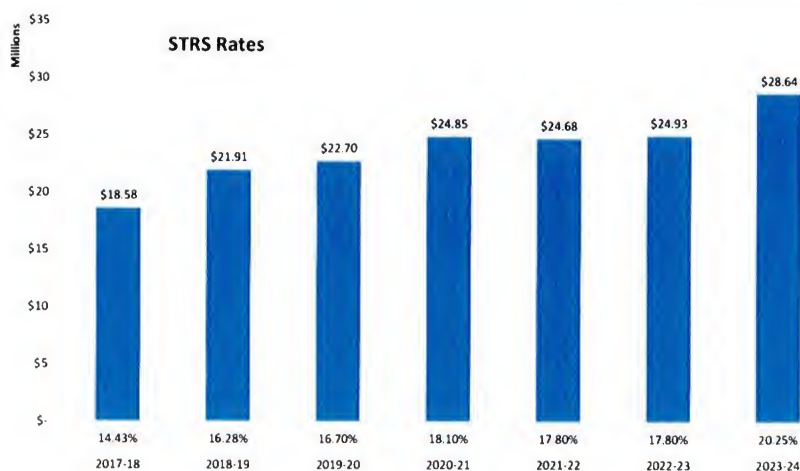
## Most Significant Factors in Budget Development for FY2019-2020

### Expenses:

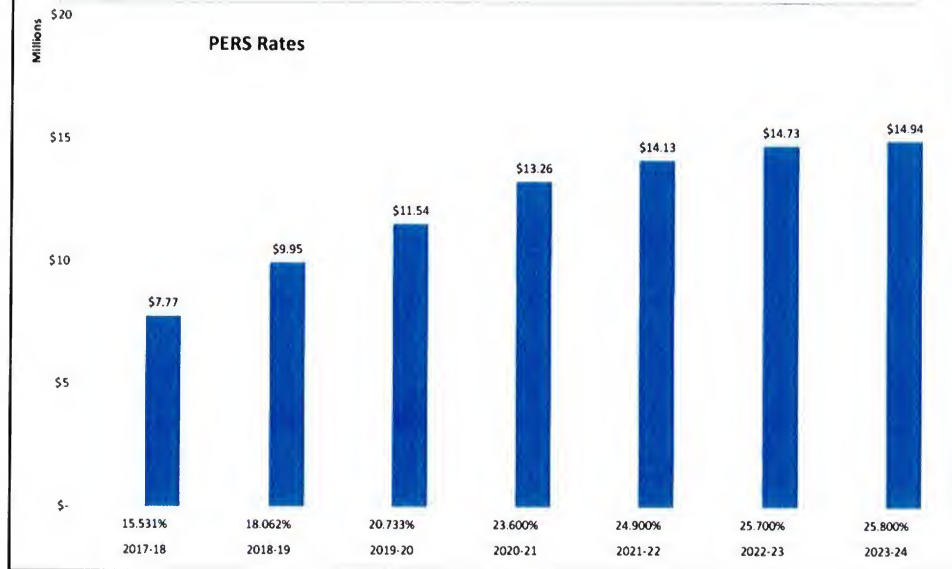
- Staffing Levels & Distribution (e.g. Class size reduction)
- Negotiations with all Labor Organizations (step & column plus raises)
- Special Education Service Delivery (10-15% annual increase)
- Other increases (insurance, CPI)
- Continued Increases in Driven Costs (STRS, PERS, healthcare, OPEB costs, and Payroll taxes.



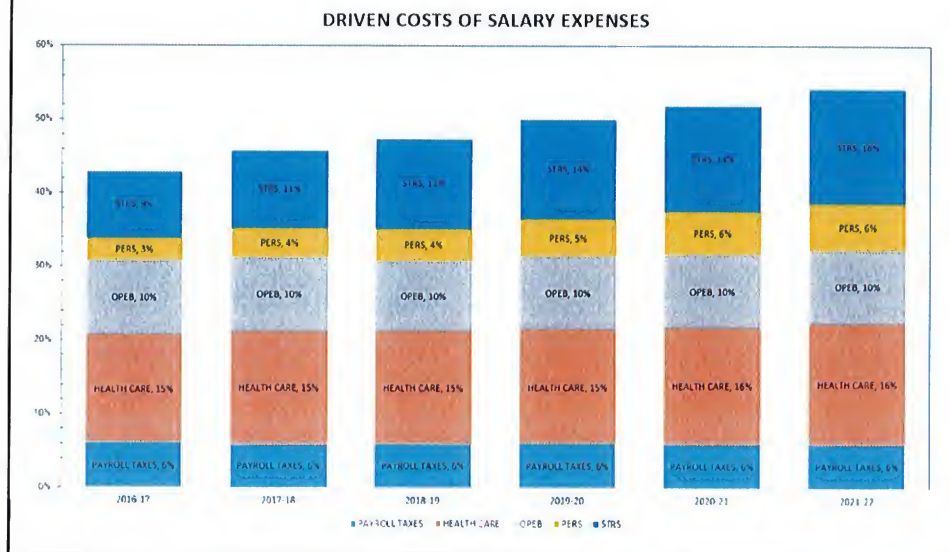
## STRS Multi Year Rates



## PERS Multi Year Rates



## Cost of “driven costs” over time as portion of budget



### Multi Year Projection Unrestricted General Fund (calculated with future cuts included)

|   | 2018-2019   | 2019-2020   | 2020-2021   | 2021-2022   |
|---|-------------|-------------|-------------|-------------|
| Total LCFF Funding                              | 281,246,968 | 289,677,155 | 294,988,423 | 303,125,807 |
| Mandated Cost Reim (1X\$)                       | 4,932,784   | -           | -           | -           |
| Other State & Local Rev                         | 8,822,734   | 7,632,063   | 7,785,533   | 7,933,068   |
| SubTtl Unres Rev                                | 295,002,486 | 297,309,218 | 302,773,956 | 311,058,875 |
| Expenses (includes future negotiated costs)     | 304,117,304 | 297,309,182 | 302,890,344 | 311,058,875 |
| Excess / Deficit Spending                       | (9,114,818) | 36          | (116,388)   | -           |
| Beginning Uncommitted Fund Balance              | 9,231,171   | 116,353     | 116,389     | 1           |
| Use / Increase of Fund Balance                  | (9,114,818) | 36          | (116,388)   | -           |
| Uncommitted Fund Balance (before stores & cash) | 116,353     | 116,389     | 1           | 1           |
| Statutory Reserve - 3% (Fund 17)                | 11,888,005  | 10,817,256  | 11,019,600  | 11,093,117  |
| Reserve for Fiscal Uncertainty - 6% (Fund 17)   | 21,495,356  | 21,634,512  | 23,730,801  | 24,009,788  |
| Reserve for Tech Replacement (Fund 17)          | 500,000     | 500,000     | 500,000     | 500,000     |
| Stores and Revolving Cash                       | 116,000     | -           | -           | -           |
| Ending Uncommitted Fund Balance                 | 353         | 116,389     | 1           | 1           |



### FY19-20 Budget Assumptions

1. Significant reductions in 4000/5000 Object code series
2. Significant reductions in over time/extra time
3. A number of essential vacant positions have not been budgeted
4. No Fund Balance
5. 9% Reserves intact



## FY19-20 Budget Assumptions

- Strict fiscal controls must be in place
- Staff & County will work toward a 45-day Budget Revision in order to give more time to solidify position control for FY19-20
- Significant staffing reductions must be made for FY20-21 (current salaries/benefits are 90% of budget)



## Future Funding Concerns



- Significant reductions still needed over next two years
- Higher volatility and risk in the funding model as years progress
  - Student Demographic Changes
  - Legislative Support must continue over time
- Revenue will only grow by COLA while expenses continue to grow at higher rates.
- Continued class size reduction equals increased costs
- Aggressive Special Ed cost increases

## BOTTOM LINE

- We are at a critical moment with our budget
- With significant cost controls & staffing reductions, we will likely preserve our reserves and maintain financial solvency
- We must focus deeply on cost control



## 2019-20 – What's in Your Packet

- Executive Summary / PowerPoint
- State Forms
  - Includes all funds of the district
  - Documentation of revenue calculations
  - Criteria and Standards
- Multi-Year Projection
  - We are presenting a 3 year projection as anything over are unpredictable and the accuracy of the projection can be seriously called into question



## 2019-20 Adopted Budget

- Closing Out 2018-19
- Projected Ending Fund Balance
  - Uncommitted Unrestricted Fund Balance \$0
  - Fund 17 Reserves \$34 million
    - 3% statutory
    - 6% fiscal uncertainty
    - \$500K technology
- Fund balances are subject to change based upon the closing of the books which will be final in September



## Next Steps

### 2019-2020 Budget:

- September – 2018-19 Unaudited Actuals
- January 2020 – 2018-19 Audit and Final Financial Statements

### 2020-2021 Budget:

- June 26 – Adoption of 2019-20 Budget
- August 23 – 45 Day Revision Report 2019-20 Budget
- December – 2019-20 First Interim Report
- March 2020 – 2019-20 Second Interim Report

Financial reports available on the web

<http://www.wccusd.net/>

